

Vanda Pharmaceuticals Inc.
Form 4
December 13, 2006

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Polymeropoulos Mihael Hristos

(Last) (First) (Middle)
9605 MEDICAL CENTER
DRIVE, SUITE 300
(Street)

ROCKVILLE, MD 20850

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
Vanda Pharmaceuticals Inc. [VNDA]

3. Date of Earliest Transaction
(Month/Day/Year)
12/11/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
Chief Executive Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
Common Stock	12/11/2006		M		116,217	A	\$ 0.33 116,217
Common Stock	12/11/2006		M		33,783	A	\$ 0.33 150,000
Common Stock	12/11/2006		S		50,000	D	\$ 26.45 100,000
Common Stock	12/11/2006		S		50,000	D	\$ 26 50,000
Common Stock	12/11/2006		S		200	D	\$ 25.19 49,800

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Common Stock	12/11/2006	S	100	D	\$ 25.15	49,700	D
Common Stock	12/11/2006	S	100	D	\$ 25.02	49,600	D
Common Stock	12/11/2006	S	800	D	\$ 25.01	48,800	D
Common Stock	12/11/2006	S	48,800	D	\$ 25	0	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount Number Shares
Employee Stock Option (right to buy)	\$ 0.33	12/11/2006		M	116,217	<u>(1)</u> 05/05/2013	Common Stock 116,217
Employee Stock Option (right to buy)	\$ 0.33	12/11/2006		M	33,783	<u>(2)</u> 02/10/2015	Common Stock 33,783

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Polymeropoulos Mihael Hristos 9605 MEDICAL CENTER DRIVE SUITE 300 ROCKVILLE, MD 20850	X		Chief Executive Officer	

Signatures

/s/ Mihael H.
Polymeropoulos

12/12/2006

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Exercisable with respect to 116,217 of the shares covered by the option immediately. Exercisable with respect to an additional 2.08333% of the aggregate option share total each month thereafter.
 - (2) Exercisable with respect to 58,853 of the shares covered by the option immediately. Exercisable with respect to an additional 2.08333% of the aggregate option share total each month thereafter.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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